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## Social Media Influencers and the Issue of Full Disclosure

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## **The Valuable Currency of Social Media Influence**

**Dr Margaret-Anne Lawlor**

Content creators, arbiters of style and taste-makers – these are just some of the terms that explain the relatively recent phenomenon of social media influencers (SMIs). These are individuals who regularly use social media platforms such as Instagram, Facebook, YouTube and Snapchat, to create and share content about their perceived expertise, enthusiasm or experience in a given area. They can build large consumer followings by virtue of being seen as original, creative, entertaining, informative and accessible.

According to software experts, TechJury, the SMI market is estimated to be worth \$6.5 billion in 2019. To put this figure in context, the market was valued at a far more modest figure of \$500 million in 2015. Not surprisingly, many marketers are embracing SMI marketing which essentially involves a brand using an influencer as an intermediary who will in turn promote a product or service offering to their social media followers. From a brand perspective, the marketer can send samples or free products to an influencer in the hope that the latter will use for example, an Instagram post, to talk about or praise the product. At the other end of the spectrum, the marketer may pay the influencer who agrees to post agreed content about the product. Such an agreement will contain specific details such as the social media platforms to be used, the number and type of posts (e.g. language to be used, videos or selfies of the influencer interacting with the product) and the link to the brand's website.

Influencers are especially popular in the food, health and wellbeing, beauty, fashion, sports and travel sectors both in Ireland and internationally. As a perceived expert or enthusiast in a given area, what they have to say is often viewed as being more authentic, trustworthy and credible than an advertisement emanating directly from the marketer.

However, a concern that has arisen is the extent to which influencer marketing falls under the category of covert marketing, which is essentially marketing designed not to look like marketing. For example, sponsored content can be embedded into the friendly, approachable and entertaining nature of an influencer's social media post. This in turn generates a key question – to what extent are influencers signalling the existence and nature of sponsored content in social media posts?

This is an area that continues to exercise regulatory bodies such as the Advertising Standards Authority for Ireland, the Competition and Markets Authority in the UK, and the US Federal Trade Commission. In an Irish context, the Advertising Standards Authority for Ireland (2018) provides that a commercial arrangement between an influencer and brand should be disclosed in the influencer's social media post, for example, by using identifiers or hashtags such as #ad, #sp, #spon, #workwith, #paidpartnership, #brandambassador.

However, there is a difference between making a disclosure, and making one that is clear, unambiguous and in full sight. For example, in the US, the Federal Trade Commission (FTC) has cautioned against the use of tactics that may mask a disclosure. In 2019, the FTC highlighted that when Instagram posts are viewed on mobile devices, the user typically will see only the first two lines of a lengthy post unless they click "more," which many people refrain from doing. This means that whilst disclosure of a commercial relationship is being made, it is often not done in the first two viewable lines of the post. As such, the disclosure is there, but it has to be searched for by the user. As a result, the FTC has advised that such disclosures be made in the more visible

position above the “more” button. Furthermore, the FTC noted that whilst appropriate hashtags may indeed be provided by the influencer, their inclusion in a very lengthy list of other hashtags, might render them less visible.

In a UK context, an Influencer’s Guide was developed by the Advertising Standards Authority in collaboration with the Competition and Markets Authority in 2018. It recommends the disclosure of a commercial relationship by way of using clear labels such as ‘ad’ or ‘advertising’ but it sounds a note of caution regarding the use of alternative labels such as ‘thanks to [brand] for making this possible’ and ‘in association with’. Elsewhere, the Influencer’s Guide stipulates that “consumers should be able to recognise that something is an ad...Since it needs to be ‘obvious’, consumers shouldn’t have to work too hard to figure it out”.

Having to ‘work hard’ and to ‘figure it out’ is suggestive of the onus being placed on consumers to identify whether they are being advertised to. In July 2019, the World Federation of Advertisers published the results from a survey of 34 companies with a combined global marketing spend of \$59million, all of whom were employing SMIs to some degree. The most prevalent concern regarding influencer marketing for 64% of respondents was ‘consumer trust and blurred lines’ between editorial and commercial content. It arguably is in the best interests of all three parties - consumer, brand owner and influencer - to have full and frank disclosure, in terms of clearly signalling if and where an influencer is working with a brand. Consumers convey a huge favour to brands (both product brands and people brands such as influencers) when they opt to follow them on social media. Most influencers return the favour in terms of the information, engaging content and transparency that they duly offer their followers. The very nature of influence means the power to have an effect on other people’s knowledge, attitudes and behaviour, and as such, it is a valuable currency to be respected.

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